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Property Casualty Insurers
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STATEMENT

PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCI)

S.B. No. 241 – AN ACT CONCERNING CONTINUATION OF PRIVATE PASSENGER AUTOMOBILE INSURANCE COVERAGE FOLLOWING THE DEATH OF THE REGISTERED AUTOMOBILE OWNER

COMMITTEE ON INSURANCE AND REAL ESTATE

February 26, 2015

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on Senate Bill No. 241, an act concerning continuation of private passenger automobile insurance coverage following the death of a registered owner. PCI is a national property casualty trade association comprised of over 1,000 member companies. PCI member companies write approximately 46 percent of all personal lines insurance sold in Connecticut.

While PCI is not opposed to the general concept of ensuring that auto insurance continues for a reasonable time following the death of the owner of the automobile, we have concerns with a number of this bill's provisions. First, this bill requires auto insurance to continue for sixty days following the insurer's receipt of notice of the vehicle owner's death. There is, however, no time frame during which notice of the owner's death must be provided to the insurer. Accordingly, there could be significant delays in notifying the insurance company and the insurance company would still be required pursuant to this bill to continue coverage for that potentially extended period and for an additional sixty days following the provision of notice.

Additionally, this bill would require coverage to be continued for sixty days following the insurer's receipt of notice of the death of the vehicle owner regardless of whether the decedent's estate wishes to have coverage continued during this period. Finally, PCI would urge that language needs to be included to clarify that coverage during this extended period would only apply to insureds and/or the legal representative of the decedent's estate. Since there cannot be permissive use of the vehicle under these circumstances, limitations should be included as to who would be covered during this period.

For the foregoing reasons, PCI urges your Committee NOT to advance this bill.